

FEMA Will Recover \$36.3 million from the Private Reinsurance Markets

Release Date: 7? 3, 2024

WASHINGTON -- FEMA announced today that it is submitting its first claim for Hurricane Ian to recover \$36.3 million in reinsurance coverage.

This claim is based upon the National Flood Insurance Program (NFIP)'s paid losses to date associated with Hurricane Ian and the first layer of [2022 traditional reinsurance coverage](#). Those paid losses exceeded the minimum threshold for the NFIP's reinsurance coverage.

As of May 31, 2024, FEMA exceeded \$4 billion in paid to date claims to insured flood survivors of Hurricane Ian, triggering the first layer of reinsurance under FEMA's Jan. 1, 2022 reinsurance agreement.

"FEMA continues to prioritize Hurricane Ian's recovery efforts. Now that claim payments have exceeded \$4 billion, FEMA has met the threshold to recover \$36.3 million through its reinsurance program," said David Maurstad, the senior executive of FEMA's National Flood Insurance Program. "By ceding some of the NFIP's risk to the private markets, our reinsurance program is providing increased stability and support to NFIP's financial framework."

So far, Hurricane Ian generated more than 48,000 claims and the NFIP has paid about \$4.872 billion to policyholders, with processing ongoing. The funds recovered from the 2022 reinsurance coverage contribute to the NFIP's ability to pay claims.

FEMA received the authority to secure reinsurance through the Biggert-Waters Flood Insurance Reform Act of 2012 and the Homeowner Flood Insurance Affordability Act of 2014.

Hurricane Sandy claims--\$8.9 billion--in October 2012 and Hurricane Katrina claims--\$16.3 billion--in August 2005 resulted in program debt when the cost of flood policy claims far exceeded the NFIP's premium revenues; reinsurance



FEMA

Page 1 of 2

places the NFIP in a better position to manage losses incurred from similar major events.

This is the second time FEMA has recovered reinsurance payments. In 2017, FEMA [recovered the full \\$1.042 billion](#) in reinsurance coverage under its 2017 Reinsurance Program as a result of Hurricane Harvey in Texas.

Earlier this year, the NFIP transferred \$1.92 billion of the NFIP's financial risk to the private reinsurance markets. Reinsurance is a key component for a stronger and a more resilient program.

Visit [FEMA.gov](https://www.fema.gov) for more information on the NFIP's reinsurance program.

